## FIRE PROTECTION DISTRICT NO. 1 OF GRANT PARISH

**ANNUAL FINANCIAL REPORT** 

FOR THE YEAR ENDED DECEMBER 31, 2010

Under provisions of state law, this report is a public document. Acopy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8 31 11

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**Independent Accountant's Report** 

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To the Board of Directors
Fire Protection District No. 1
of Grant Parish

I have reviewed the accompanying basic financial statements of the governmental activities and each major fund of Fire Protection District No. 1 of Grant Parish, as of and for the year ended December 31, 2010, as listed in the table of contents, in accordance with U.S. Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Fire District.

A review consists principally of inquires of personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with generally accepted accounting principles.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic financial statements in order to conform with generally accepted accounting principles. The Management's discussion and analysis and budgetary comparison information listed in the accompanying table of contents are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplemental information, without audit or review. Accordingly, I do not express any opinion or any other form of assurance on the supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated May 23, 2011, on the results of our agreed-upon procedures.

Paul Dauzat

Certified Public Accountant

May 23, 2011

## REQUIRED SUPPLEMENTAL INFORMATION (PART 1)

**MANAGEMENT'S DISCUSSION AND ANALYSIS** 

## Management's Discussion And Analysis December 31, 2010

This section of the annual financial report presents our discussion and analysis of the Fire District's financial performance during the fiscal year ended December 31, 2010, with comparable information for the previous year.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Fire District's financial position and results of operations from differing perspectives which are described as follows:

#### Government - Wide Financial Statements

The government-wide financial statements report information about the Fire District as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Fire District's assets and all of the Fire District's liabilities. All of the Fire District's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by grants, fines and various fees.

#### Fund Financial Statements

Fund financial statements provide detailed information regarding the Fire District's most significant activities and are not intended to provide information for the Fire District as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Fire District's funds are Governmental Funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Fire District's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

#### FINANCIAL ANALYSIS OF THE FIRE DISTRICT AS A WHOLE

An analysis of the government-wide Statement of Net Assets is presented as follows:

|                               | December 31, 2010 | December 31, 2009 |  |  |
|-------------------------------|-------------------|-------------------|--|--|
| Assets:                       |                   |                   |  |  |
| Current and Other Assets      | \$ 304,687        | \$ 275,395        |  |  |
| Capital assets, net           | 773,662           | 822,73 <u>4</u>   |  |  |
| Total Assets                  | 1,078,349         | 1,098,129         |  |  |
| Liabilities:                  |                   |                   |  |  |
| Current and Other Liabilities | 40,978            | 39,281            |  |  |
| Long-term Liabilities         | 360,000           | 380,000           |  |  |
| Total Liabilities             | 400,978           | 419,281           |  |  |

## Management's Discussion And Analysis December 31, 2010

|                                 | December 31, 2010 | <br>ecember<br>1, 2009 |
|---------------------------------|-------------------|------------------------|
| Net Assets:                     | <u></u>           |                        |
| Invested in Capital Assets, net | 393,662           | 422,734                |
| Restricted                      | 92,476            | 82,664                 |
| Unrestricted                    | 191,233           | 173,450                |
| Total Net Assets                | \$ 677,371        | \$<br>678,848          |

As the presentation appearing above demonstrates, the largest portion of the Fire District's net assets (58.1%) is invested in capital assets. Net assets invested in capital assets consist of land, buildings, and equipment, less any debts used to acquire the assets that remain outstanding. The Fire District uses these capital assets to provide fire protection and other services to local residents; consequently, these amounts are not available for future spending.

An additional portion of the net assets (13.7%) represent resources that are subject to restrictions that are imposed by agreements with the Fire District's bondholders or taxpayers. The remaining net assets (28.2%) are unrestricted and may be used to meet the Fire District's ongoing obligations.

An analysis of the government-wide Statement of Activities is presented as follows:

|                                    | For the Year Ended |         |        |                   |
|------------------------------------|--------------------|---------|--------|-------------------|
|                                    | December 31, 2010  |         |        | cember<br>1, 2009 |
| Revenues:                          |                    |         |        |                   |
| Program Revenue:                   |                    |         |        |                   |
| Charges for Services               | \$                 | 21,801  | \$     | 22,056            |
| Operating Grants and Contributions |                    |         |        |                   |
| Capital Grants and Contributions   |                    |         |        |                   |
| General Revenue:                   |                    |         |        |                   |
| Property Taxes                     |                    | 212,219 |        | 199,268           |
| Revenue Sharing                    |                    | 7,500   |        | 7,618             |
| Fire Insurance Rebates             |                    | 14,563  |        | 28,807            |
| Other                              |                    | 6,205   |        | 3,164             |
| Total Revenue                      |                    | 262,288 |        | 260,913           |
| Program Expenses:                  |                    |         |        |                   |
| Fire Protection                    |                    | 232,188 |        | 252,649           |
| Building Operations                |                    | 14,050  |        | 21,610            |
| Interest on Long-Term Debt         |                    | 17,527  | 18,108 |                   |
| Total Program Expenses             |                    | 263,765 |        | 292,367           |
| Change in Net Assets               |                    | (1,477) |        | (31,454)          |
| Net Assets Beginning               |                    | 678,848 |        | 710,302           |
| Net Assets Ending                  | \$                 | 677,371 | \$     | 678,848           |

As the accompanying presentation demonstrates, the Fire District's net assets decreased by 0.2% as a result of current operations. The decrease is attributable to depreciation of assets acquired in previous

## Management's Discussion And Analysis December 31, 2010

years. Furthermore, the decrease represents consumption of a small portion of the Fire District's reserves.

### FINANCIAL ANALYSIS OF THE FIRE DISTRICT'S FUNDS

For the year ended December 31, 2010, fund balances decreased by \$27,479. The primary differences are due to differences in methods of accounting for capital assets and repayment of debt principal.

#### **BUDGET HIGHLIGHTS**

State law requires the general fund to have a budget. For the year ended December 31, 2010, the original budget was not amended.

#### CAPITAL ASSET ADMINISTRATION

For the year ended December, 31, 2010, capital assets activity was limited to depreciating assets acquired during previous years and the acquisition of a used vehicle.

#### **DEBT ADMINISTRATION**

For the year ended December 31, 2010, debt activity was limited to repaying existing obligations as required by the terms of agreements with the debt holders.

#### FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations.

## Statement of Net Assets December 31, 2010

|   | Governmental Activities |
|---|-------------------------|
| ASSETS  |                         |
| Cash and Cash Equivalents                       | \$ 92,61                |
| Receivables (net)                               | 212,06                  |
| Capital Assets - Land                           | 12,00                   |
| Capital Assets - Depreciable                    | 761,66                  |
| Total Assets                                    | 1,078,34                |
| LIABILITIES                                     |                         |
| Accounts Payable                                | 18,15                   |
| Accrued Interest Payable                        | 2,82                    |
| Long-term Debt                                  |                         |
| Due Within One Year                             | 20,00                   |
| Due in More than One Year                       | 360,00                  |
| Total Liabilities .                             | 400,97                  |
| NET ASSETS                                      |                         |
| Invested in capital assets, net of related debt | 393,66                  |
| Restricted for:                                 |                         |
| Debt Service                                    | 92,47                   |
| Unrestricted                                    | 191,23                  |
| Total Net Assets (deficit)                      | \$ 677,37               |

Fire Protection District No. 1 of Grant Parish

For the Year Ended December 31, 2010 Statement of Activities

| Net (Expense)<br>Revenue  | \$ (232,188)<br>7,751<br>(17,527)  | (241,964)                     | 212,219<br>7,500<br>14,563<br>6,205   | 240,487                | (1,477)              | 678,848                | \$ 677,371          |
|---|--|-------------------------------|---|------------------------|----------------------|------------------------|---------------------|
| Program Revenues Operating Capital Charges for Grants and Grants and Services Contributions | \$ 21,801  | 21,801                        | General Revenues: Property Taxes State Revenue Sharing Fire Insurance Rebates Other | Total General Revenues | Change in Net Assets | Net Assets - Beginning | Net Assets - Ending |
| Expenses  | \$ 232,188<br>14,050<br>17,527   | 263,765                       |   |                        |                      |                        |                     |
|   | Governmental Activities Fire Protection Building Operations Interest on Long-Term Debt | Total Governmental Activities |   |                        |                      |                        |                     |

The accompanying note are an integral part of this statement. See accountants report.

## Balance Sheet - Governmental Funds December 31, 2010

| Assets                                | <br>General   |           | Debt<br>Service | Gov | Total<br>emmental<br>Funds |
|---------------------------------------|---------------|-----------|-----------------|-----|----------------------------|
| Cash and Cash Equivalents             | \$<br>22,953  | \$        | 69,665          | S   | 92,618                     |
| Receivables                           | 166,326       |           | 45,743          |     | 212,069                    |
| Interfund Receivables                 | <br>22,932    |           | <u> </u>        |     | 22,932                     |
| Total assets                          | \$<br>212,211 | <u>\$</u> | 115,408         | \$  | 327,619                    |
| Liabilities and Fund Balance          |               |           |                 |     |                            |
| <u>Liabilities</u>                    |               |           |                 |     |                            |
| Accounts Payable and Accrued Expenses | \$<br>18,154  | \$        | -               | \$  | 18,154                     |
| Interfund Payables                    | <br>          |           | 22,932          |     | 22,932                     |
| Total liabilities                     | <br>18,154    |           | 22,932          |     | 41,086                     |
| Fund Balance                          |               |           |                 |     |                            |
| Unreserved                            | <br>194,057   |           | 92,476          |     | 286,533                    |
| Total Fund Balances                   | <br>194,057   |           | 92,476          |     | 286,533                    |
| Total Liabilities and Fund Balance    | \$<br>212,211 | \$        | 115,408         | \$  | 327,619                    |

### Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Assets

| Total Fund Balances - Governmental Funds  | S | 286,533   |
|---|---|-----------|
| Amounts reported for governmental activities in the statement of net assets are |   |           |
| different because:  |   |           |
| Long term liabilities and related accrued interest are not due and payable in   |   |           |
| the current period and therefore they are not reported in the                   |   |           |
| Governmental Fund Balance Sheet   |   | (382,824) |
| Capital assets used in governmental activities are not financial resources and  |   |           |
| therefore are not reported in the funds.  |   | 773,662   |
| Net Assets of Governmental Activities   | S | 677.371   |
|   |   |           |

The accompanying note are an integral part of this statement.

See accountants' report.

## Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds For the Year Ended December 31, 2010

|   | General   |             | Debt<br>Service | Total<br>Governmental<br>Funds |
|---|-----------|-------------|-----------------|--------------------------------|
| Revenues:   |           |             |                 |                                |
| Ad Valorem Taxes                                  | \$ 164,76 | 4 \$        | 47,455          | \$ 212,219                     |
| State Revenue Sharing                             | 7,50      | 0           | -               | 7,500                          |
| Fire Insurance Rebates                            | 14,56     |             | -               | 14,563                         |
| Other   | 28,00     |             | -               | 28,006                         |
| Total revenues                                    | 214,83    | <u> </u>    | 47,455          | 262,288                        |
| Expenditures:                                     |           |             |                 |                                |
| Current   |           |             |                 |                                |
| Public Safety - Fire Protection                   |           |             |                 |                                |
| Insurance   | 29,41     | 2           | -               | 29,412                         |
| Contract Services                                 | 16,12     | 0           | -               | 16,120                         |
| Legal and Professional                            | 8,28      | 6           | •               | 8,286                          |
| Miscellaneous                                     | 2,87      | <b>'</b> 6  | -               | 2,876                          |
| Repairs and Maintenance                           | 36,29     | 7           | _               | 36,297                         |
| Supplies  | 43,15     | 0           | _               | 43,150                         |
| Utilities   | 17,60     | 18          | -               | 17,608                         |
| Vehicle Expenses                                  | 28,10     | i1          | -               | 28,161                         |
| Building Operations                               | 7,64      | 6           | ~               | 7,646                          |
| Capital Expenditures                              | 7,61      | 0           | -               | 7,610                          |
| Debt Service                                      | -         |             | 37,643          | 37,643                         |
| Total expenditures                                | 197,10    | 66          | 37,643          | 234,809                        |
| Excess (Deficiency) of Revenues Over Expenditures | 17,60     | 57          | 9,812           | 27,479                         |
| Fund Balance - Beginning of Year                  | 176,39    | 00_         | 82,664          | 259,054                        |
| Fund Balance - End of Year                        | \$ 194,0  | <u> 7</u> 9 | 92,476          | \$ 286,533                     |

# Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2010

| Not change in fund balances of Governmental Funds   | \$ | 27,479   |
|---|----|----------|
| Amounts reported for governmental activities in the statement of activities are different because:  |    |          |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets   |    | 20,000   |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds.   |    | 116      |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period | ·  | (49,072) |
| Change in net assets of governmental activities   | \$ | (1,477)  |

## Notes to the Financial Statements December 31, 2010

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District No. 1 of Grant Parish (the Fire District) was created to provide fire protection for portions of Grant Parish. It is governed by a Board consisting of five members and the majority of the members are appointed by the Grant Parish Police Jury. The Fire District is a component unit of the Grant Parish Police Jury, the primary governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Fire District and do not present financial information on the primary government, the general government services provided by that entity, or the other governmental units that are accountable to the primary government.

The accompanying policies conform to generally accepted accounting principles for governmental units.

#### Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- 1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the reporting entity to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
- 2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
- Organizations for which the reporting entity financial statements would be misleading if
  data of the organization is not included because of the nature or significance of the
  relationship.

Based on the previous criteria, the Fire District is a component unit of the Grant Parish Police Jury. The accompanying component unit financial statements present information only on the funds maintained by Fire Protection District No. 1 and do not present information on the police jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

## Notes to the Financial Statements December 31, 2010

#### **Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Fire District's operations as governmental activities. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

The government-wide and fund financial statements present the Fire District's financial position and results of operations from differing perspectives which are described as follows:

#### Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Fire District as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include any charges for services and most grants.

#### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The Fire District's major funds are described as follows:

- General Fund This fund is the primary operating fund of the Fire District is used to account for all resources, except those required to be accounted for in other funds.
- <u>Debt Service</u> This funds is used to account for proceeds from a special tax dedicated to paying principal and interest on general obligation bonds.

#### Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

| Financial Statement Presentation     | Basis of Accounting    | Measurement Focus           |
|--------------------------------------|------------------------|-----------------------------|
| Government-Wide Financial Statements | Accrual Basis          | Economic Resources          |
| Fund Financial Statements            | Modified Accrual Basis | Current Financial Resources |

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

## Notes to the Financial Statements December 31, 2010

Under the modified accrual basis of account and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as an other financing source and repayment of long-term debt is reported as an expenditure.

#### **Use of Estimates**

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Budget Practices**

Budgets of the General Fund are prepared on the modified accrual basis of accounting. Unexpended appropriations of this fund lapse at the end of each fiscal year. Budgets of the General Fund and all changes and amendments to these budgets are approved by the Board of Commissioners as a whole.

#### Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. Useful lives typically range from five to forty years.

#### Cash

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

#### Internal Balances

Internal balances arise from transactions between funds When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded. Internal balance are eliminated in preparing government-wide financial statements.

#### NOTE 2 - CASH

Deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market

## Notes to the Financial Statements December 31, 2010

value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2010, deposits were fully secured by FDIC insurance coverage.

### NOTE 3 - RECEIVABLES

At December 31, 2010, receivables were limited to ad valorem taxes and related revenue sharing collected by other governmental units on behalf of the Fire District. These amounts are considered fully collectible and there is no allowance for doubtful accounts.

### NOTE 4 - CAPITAL ASSETS

A summary of the Fire District's capital assets is provided as follows:

|  | Beginning<br>Balance | Additions   | Disposals  | Ending<br>Balance |
|--|----------------------|-------------|------------|-------------------|
| Non Depreciable Capital Assets<br>Land | \$ 12,000            | \$          | <u>s</u> — | \$ 12,000         |
| Depreciable Capital Assets             |                      |             |            |                   |
| Equipment                              | 627,719              | 7,610       |            | 635,329           |
| Buildings and Improvements             | 828,177              |             |            | 828,177           |
| Accumulated Depreciation               | (645,162)            | (56,682)    |            | (701,844)         |
| Depreciable Capital Assets (Net)       | 810,734              | (49,072)    |            | 761,662           |
| Total Capital Assets                   | \$ 822,734           | \$ (49,072) |            | \$ 773,662        |

For the year ended December 31, 2010, depreciation expense totaled \$56,682. This total included \$50,278 reported as fire protection and \$6,404 reported as building operations.

### NOTE 5 - INTERFUND BALANCES AND TRANSFERS

Details related to interfund balances are presented as follows:

| Receivable Fund | Payable Fund | A | mount  | Purpose                                     |
|-----------------|--------------|---|--------|---|
| General         | Debt Service | S | 22,932 |   |
|                 |              |   |        | behalf of the general fund resulting in the |
|                 |              |   |        | interfund balances.                         |

#### NOTE 6 - RISK MANAGEMENT

The Fire District is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

## Notes to the Financial Statements December 31, 2010

The Fire District insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

### NOTE 7 - LONG-TERM DEBT

Long-term debt outstanding at year end is described as follows:

| General Obligation Bonds  | \$<br>380,000 |
|---------------------------|---------------|
| Due Within One Year       | 20,000        |
|                           |               |
| Due in More Than One Year | \$<br>360,000 |

Long-term debt activity for the year ended December 31, 2010, is presented as follows:

|                          | Beginning<br>Balance | Additions | Reductions | Ending<br>Balance |  |
|--------------------------|----------------------|-----------|------------|-------------------|--|
| General Obligation Bonds | \$ 400,000           | \$        | \$ 20,000  | \$ 380,000        |  |

General obligation bonds outstanding at year end consist entirely of Series 2003, issued in the original amount of \$500,000 due in annual installments ranging from \$10,000 to \$40,000 plus interest computed at a rates ranging from 0.1% to 4.9% depending on maturity dates. Installments are payable from the proceeds on a special ad valorem tax with the final installment due March 1, 2023.

These bonds are scheduled to mature as follows:

| Year Ended December 31st | P  | Principle |    | iterest |
|--------------------------|----|-----------|----|---------|
| 2011                     | \$ | \$ 20,000 |    | 16,548  |
| 2012                     |    | 25,000    |    | 15,565  |
| 2013                     |    | 25,000    |    | 14,327  |
| 2014                     |    | 25,000    |    | 13,202  |
| 2015                     |    | 25,000    |    | 12,240  |
| 2016 <b>–</b> 2020       |    | 150,000   |    | 43,985  |
| 2021 – 2025              |    | 110,000   |    | 8,304   |
| Total                    | \$ | 380,000   | \$ | 124,171 |

## Notes to the Financial Statements December 31, 2010

## NOTE 8 - PROPERTY TAXES

Property taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from property taxes are recognized as revenue in the year billed. Assessments for the year ended December 31, 2010, are presented as follows:

|  | Mills         |
|--|---------------|
| Operations and Maintenance<br>Debt Service | 17.36<br>5.00 |
| Total Millage                              | 22.36         |

## Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund Budget and Actual For the Year Ended December 31, 2010

|                                  | Budget Amounts Original Final |         | Actual Amounts |         | Variance with Final Budget Positive (Negative) |         |    |          |
|----------------------------------|-------------------------------|---------|----------------|---------|--|---------|----|----------|
| Revenues:                        |                               |         |                |         |  |         |    | •        |
| Ad Valorem Taxes                 | \$                            | 150,000 | \$             | 150,000 | \$   | 164,764 | \$ | 14,764   |
| State Revenue Sharing            |                               | 7,500   |                | 7,500   |  | 7,500   |    | •        |
| Fire Insurance Rebates           |                               | 14,000  |                | 14,000  |  | 14,563  |    | 563      |
| Other                            |                               | 25,000  |                | 25,000  |  | _28,006 |    | 3,006    |
| Total revenues                   |                               | 196,500 |                | 196,500 |  | 214,833 |    | 18,333   |
| Expenditures:                    |                               |         |                |         |  |         |    |          |
| Current                          |                               |         |                |         |  |         |    |          |
| Public Safety - Fire Protection  |                               | 166,000 |                | 166,000 |  | 181,910 |    | (15,910) |
| Building Operations              |                               | 20,000  |                | 20,000  |  | 7,646   |    | 12,354   |
| Capital Expenditures             | _                             | 10,000  | _              | 10,000  | _  | 7,610   |    | 2,390    |
| Total expenditures               |                               | 196,000 |                | 196,000 |  | 197,166 |    | (1,166)  |
| Excess (Deficiency) of Revenues  |                               |         |                |         |  |         |    |          |
| Over Expenditures                | _                             | 500     | _              | 500     |  | 17,667  | _  | 17,167   |
| Fund balance - beginning of year |                               | 176,390 |                | 176,390 |  | 176,390 |    |          |
| Fund balance - end of year       | <u>s</u>                      | 176,890 | \$             | 176,890 | <u>\$</u>                                      | 194,057 | \$ | 17,167   |

Paul Dauzat, CPA

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 12359 Alexandria, LA 71315

MEMBER SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Fire Protection District No. 1
of Grant Parish

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Fire District's compliance with certain laws and regulations during the year ended December 31, 2010, included in the Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose>

#### PUBLIC BID LAW:

 Select all expenditures made during the year for material and supplies exceeding \$ 20,000, or public works exceeding \$ 100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no transactions meeting this scope of bid law.

#### CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

Obtain from management a list of the immediate family members of the Board Members as
defined by LSA-RS 42:1101-1124 ( code of ethics ), and a list of outside business interests of
the Board Members and employees, as well as their immediate families.

Management provided me with the required list including the information noted.

- 3. Obtain from management a listing of all employees paid during the period under examination.
  - Management provided me with the list.
- 4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management appeared on the reports provided by management in procedure (2).

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#### BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget with no amendments.

6. Trace the budget adoption and amendments to the minute book.

Minutes of meetings reflected budget adoption.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceeded budgeted amounts by more than 5%.

The District complied with this requirement.

#### ACCOUNTING AND REPORTING

- 8. Randomly select six disbursements made during the period under examination and:
  - (a) Trace payments to supporting documentation as to proper amount and payee.

I examined supporting documentation and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly recorded to the correct fund and general ledger account.

All payments selected were properly recorded to the correct fund and general ledger account.

(c) Determine whether payments received approval from proper authorities.

Inspection of the documentation for items selected indicated that the checks were signed by the proper official. No further approval was required.

#### **MEETINGS**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the meeting facility. Although management has asserted that such documents were properly posted, I have no evidence supporting such assertion.

#### **DEBT**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected deposits for the period and noted no deposits that appeared to be such proceeds.

#### **ADVANCES AND BONUSES**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

I inspected the records for the year and noted no instances that indicated payments to employees which would constitute bonuses, advances, or gifts.

I was engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported.

This report is intended solely for the use of management of Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Paul Dauzat

Certified Public Accountant

May 23, 2011

### FIRE PROTECTION DISTRICT NO. 1 SCHEDULE OF PRIOR YEAR FINDINGS

For The Year Ended December 31, 2010

| DESCRIPTION                    | STATUS   |
|--------------------------------|--|
| SECTION 11- REVIEW REPORT      |  |
| No findings                    | (2) (3) (3) (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4 |
| SECTION 11- ATTESTATION REPORT |  |
| No findings                    |  |
|                                |  |

## LOUISIANA ATTESTATION QUESTIONNAIRE (For Attestation Engagements of Government)

| FAUL DANZAT CFA  |  |
|--|--|
| 40 BOX 12359<br>ALEXANDRIA LA 71315  |  |
| (Auditors  | s)   |
| n connection with your review of our financial statements as of [date] and for the yequired by Louisiana Revised Statute 24:513 and the Louisiana Governmental Applications representations to you. We accept full responsibility for our compliance and regulations and the internal controls over compliance with such laws and regulations prior to making the total compliance with the following laws and regulations prior to making the state of the compliance with the following laws and regulations prior to making the compliance with the following laws and regulations prior to making the compliance with the following laws and regulations prior to making the compliance with the following laws and regulations prior to making the compliance with the following laws and regulations prior to making the compliance with the following laws and regulations prior to making the compliance with the following laws and regulations prior to making the compliance with the compliance with the following laws and regulations prior to making the compliance with the following laws and regulations prior to making the compliance with the following laws and regulations prior to making the compliance with the following laws and regulations prior to making the compliance with the following laws and regulations are compliance with the following laws are compliance with the compliance with the complex prior the comple | udit Guide, we make the with the following laws hations. We have |
| These representations are based on the information available to us as of (date of completion/representations).   |  |
| Public Bid Law   |  |
| t is true that we have complied with the public bid law, R.S. Title 38:2211-2296, a regulations of the Division of Administration and the State Purchasing Office.   |  |
|  | Yes [X] No [ ]   |
| Code of Ethics for Public Officials and Public Employees   |  |
| t is true that no employees or officials have accepted anything of value, whether oan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1   |  |
|  | Yes [X] No [ ]   |
| It is true that no member of the immediate family of any member of the governing executive of the governmental entity, has been employed by the governmental enumber circumstances that would constitute a violation of R.S. 42:1119.  |  |
|  | Yes [X] No [ ]   |
| Budgeting  |  |
| We have complied with the state budgeting requirements of the Local Governme 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as a  |  |
| Accounting and Reporting   |  |
| All non-exempt governmental records are available as a public record and have  | been retained for at least                                       |
| three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.   | Yes [X] No [ ]   |
| We have filed our annual financial statements in accordance with R.S. 24:514, a  | nd 33:463 where  |
| applicable.  | Yes[X]No[]   |
| We have had our financial statements reviewed in accordance with R.S. 24:513.  | Yes [ <b>X</b> ] No [ ]  |
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| Meetings |
|----------|
|----------|

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes [X] No [ ]

#### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [X] No [ ]

#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [X] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

|                     | Secretary       | Date           |
|---------------------|-----------------|----------------|
|                     | Treasurer       | Date           |
| Landell a Steletta, | President 2-7-/ | <u>/_</u> Date |
|                     |                 |                |